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FILING APPLICATIONS BUSINESS AND INDUSTRY LOAN GUARANTEE

Applications will be filed with the Agency by submitting the following information:

1. ____ A completed Form 4279-1, "Application for Loan Guarantee (Business and Industry).
2. ____ The information required for filing a preapplication, if not previously filed or if the information has changed.
3. ____ Form RD 1940-20, "Request for Environmental Information," and attachments, unless the project is categorically excluded under Agency environmental regulations.
4. ____ A personal credit report from an acceptable credit reporting company for a proprietor (owner), each partner, officer, director, key employee, and stockholder owning 20 percent or more interest in the applicant, except for those corporations listed on a major stock exchange. Credit reports are not required for elected and appointed officials when the applicant is a public body.
5. ____ Intergovernmental consultation comments in accordance with *RD Instruction 1940-J* and 7 CFR, part 3015, subpart V.
6. ____ Appraisals, accompanied by a copy of the appropriate environmental site assessment, if available. (Agency approval in the form of a Conditional Commitment may be issued subject to receipt of adequate appraisals.)
7. ____ For all businesses:
 - Balance sheets and profit and loss statements for the borrower and any parent, affiliates, and subsidiaries for the 3 most recent years (for existing businesses).
 - A current (not more than 90 days old) balance sheet and profit and loss statement for the borrower and any parent, affiliates, and subsidiaries.
 - Pro forma balance sheet at startup
 - Projected yearend balance sheets, income and expense statements, and cash flow statements for the next two full years
 - List of assumptions showing the basis for the projections.
8. ____ Lender's complete written analysis on the borrower's financial statements with appropriate ratios and comparisons with industrial standards (such as Dun & Bradstreet or Robert Morris Associates):
 - All data must be shown in total dollars and also in common size form, obtained by expressing all balance sheet items as a percentage of assets and all income and expense items as a percentage of sales.
 - The lender's credit analysis must address the borrower's management, repayment ability including a cash-flow analysis, history of debt repayment, necessity of any debt refinancing, and the credit reports of the borrower, its principals, and any parent, affiliate, or subsidiary.
9. ____ Commercial credit reports obtained by the lender on the borrower and any parent, affiliate, and subsidiary firms.
10. ____ Current personal and corporate financial statements of any guarantors.

- 11.____A proposed Loan Agreement or a sample Loan Agreement with an attached list of the proposed Loan Agreement provisions. The Loan Agreement must be executed by the lender and borrower before the Agency issues a Loan Note Guarantee. The following requirements must be addressed in the Loan Agreement:
- Prohibition against assuming liabilities or obligations of others.
 - Restriction on dividend payments.
 - Limitation on the purchase or sale of equipment and fixed assets.
 - Limitation on compensation of officers and owners.
 - Minimum working capital or current ratio requirement.
 - Maximum debt-to-net worth ratio.
 - Restrictions concerning consolidations, mergers, or other circumstances.
 - Limitations on selling the business without the concurrence of the lender.
 - Repayment and amortization of the loan.
 - List of collateral and lien priority for the loan including a list of persons and corporations guaranteeing the loan with a schedule for providing the lender with personal and corporate financial statements. Financial statements on the corporate and personal guarantors must be updated at least annually.
 - Type and frequency of financial statements to be required for the duration of the loan.
 - The final Loan Agreement between the lender and borrower will contain any additional requirements imposed by the Agency in its Conditional Commitment.
 - A section *within the Loan Agreement will be established at this time* for the later insertion of any necessary measures by the borrower to avoid or reduce adverse environmental impacts from this proposal's construction or operation. Such measures, if necessary, will be determined by the Agency through the completion of the environmental review process.
- 12.____A business plan, which includes, at a minimum, a description of the business and project, management experience, products and services, proposed use of funds, availability of labor, raw materials and supplies, and the names of any corporate parent, affiliates, and subsidiaries with a description of the relationship. Any or all of these requirements may be omitted if the information is included in a feasibility study.
- 13.____Independent feasibility study, if required.
- 14.____SEC Form 10-K, "Annual Report Pursuant to sections 13 or 15D of the Act of 1934", if applicable.
- 15.____For health care facilities, a certificate of need, if required by statute.
- 16.____Any additional information required by the Agency.